CUSHMAN & WAKEFIELD

VANTAGE POINT

THE SOUTHEAST SCALES UP

THE NEW CENTER OF BIG-BOX INDUSTRIAL ACTIVITY

MARCH 2026

THE SOUTHEAST: THE NATION'S LEADER IN LARGE-SCALE INDUSTRIAL DEMAND

For big-box occupiers—those with requirements exceeding 700,000 square feet (sf)—site selection options are increasingly constrained. The Southeast has become the nation's most consistently viable region for accommodating large-scale industrial demand.

Scalable site availability, logistics connectivity, and a competitive cost structure have positioned the Southeast at the center of big-box activity—advantages that have become increasingly difficult to replicate elsewhere.

__Analysis Parameters:__ "Big-box" analysis includes industrial activity of 700,000 sf or greater. Leasing reflects new transactions only; direct and sublet leases are included while renewals are excluded. BTS analysis excludes facilities already captured in leasing and sales data. Data centers and office/R&D facilities excluded.

KEY TAKEAWAYS

Leasing, build-to-suit (BTS) development, and ownership trends collectively point to **a more disciplined, long-term approach to big-box site selection** among the nation's largest industrial users.

The Southeast consistently captures a disproportionate share of large-format leasing demand, particularly among 3PL/logistics, manufacturing, and retailer/wholesaler tenants.

Big-box delivery strategies have shifted away from speculative leasing toward BTS solutions, reflecting occupiers' **growing emphasis on customization, automation, and operational control.**

The Southeast has become the nation's leading hub for BTS development, **accounting for nearly half of all large-scale BTS projects** delivered or underway since 2020, with both warehouse/distribution (W/D) and manufacturing facilities playing central roles.

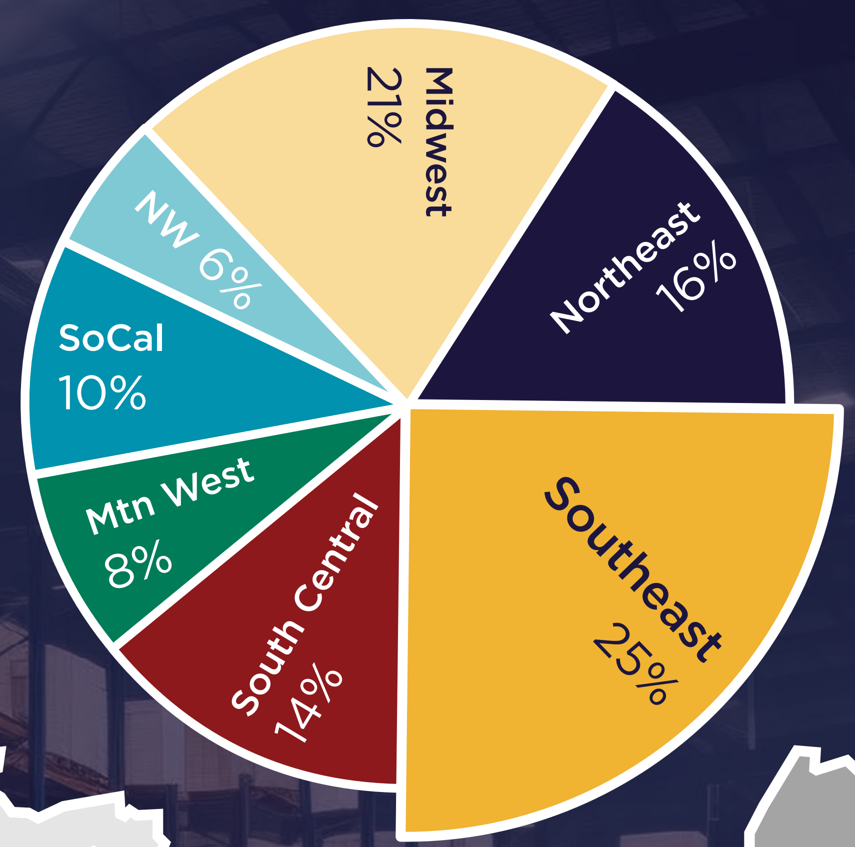
Large-scale occupiers increasingly turned to ownership in 2025, signaling long-term confidence in select markets—particularly across the Southeast and Midwest.

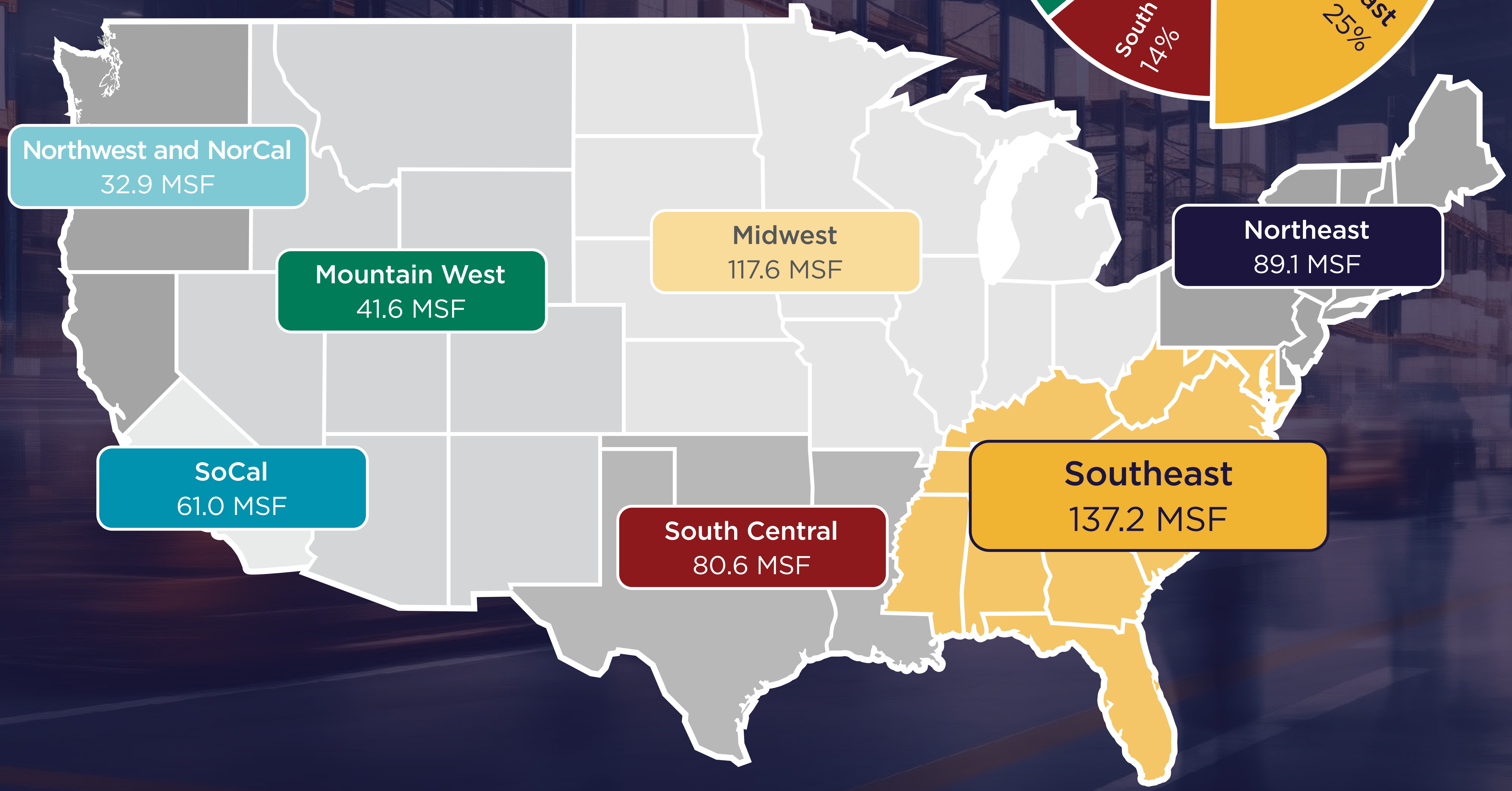
DEMAND BY REGION

LEASING 700,000 SF+

2020-2025

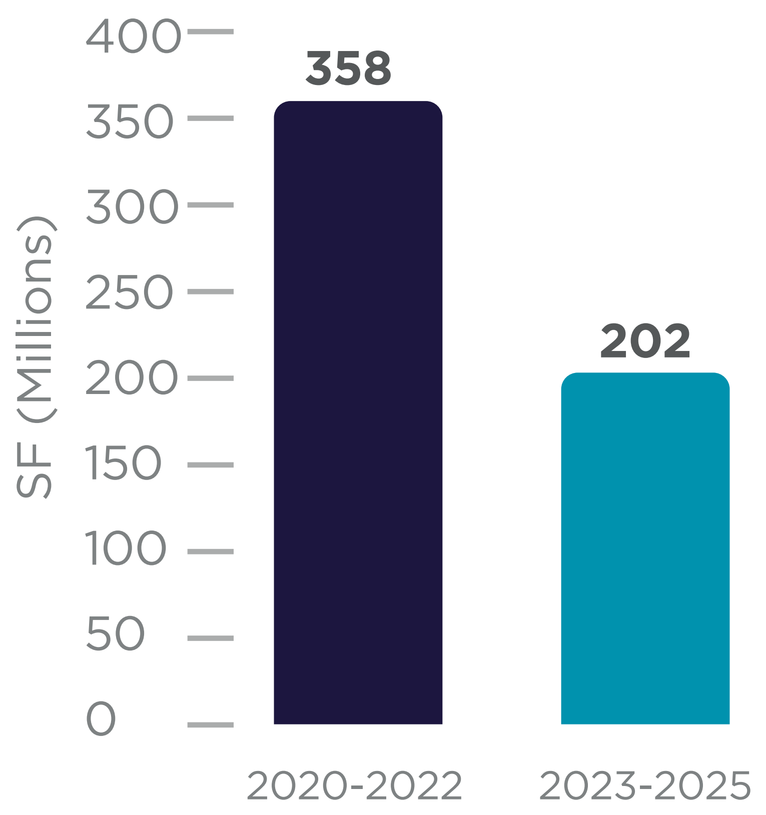
Share of Big-Box Deal Count

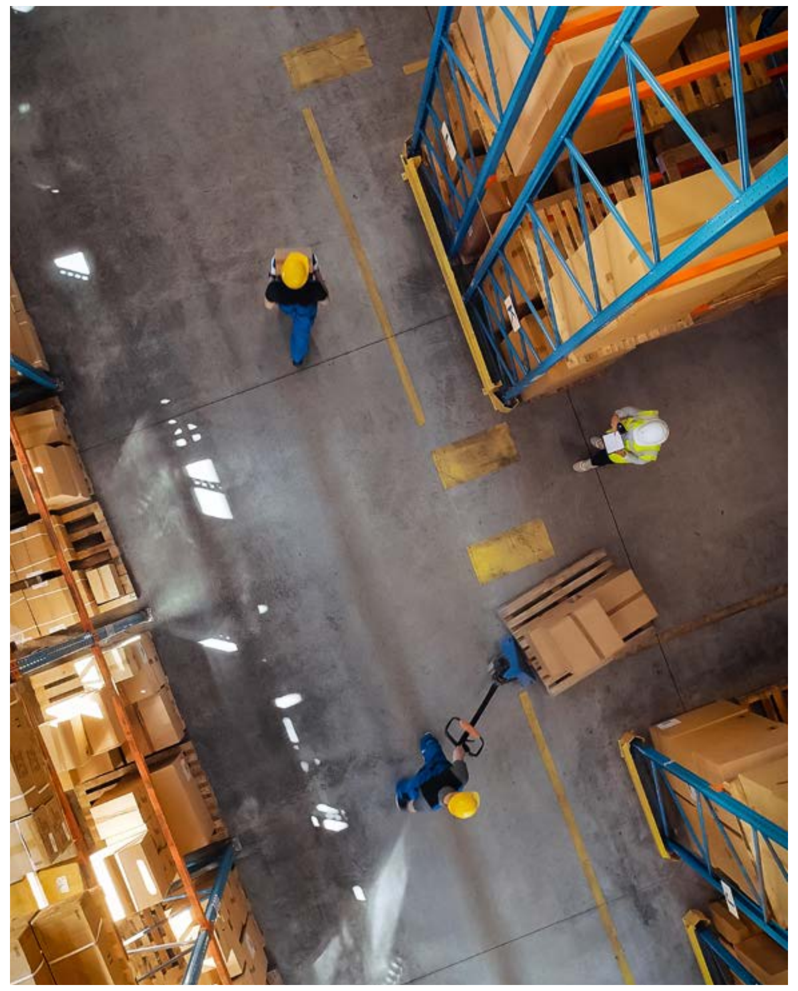




One out of every four big-box leases signed in the U.S. since 2020 occurred in the Southeast.

New Big-Box Tenant Demand





Since 2020, nearly 560 million square feet (msf) of new leasing has been completed across the U.S. by tenants with requirements of 700,000 sf or greater. While activity peaked during the 2020-2022 expansion cycle, large-format leasing has since moderated, declining 43.5% as occupiers recalibrated amid moderating consumer demand, higher real estate costs, and a cooling economy.

Despite the overall slowdown, leasing momentum persisted in regions capable of delivering scale, speed to market, and cost efficiency—most notably the Southeast. Rapid population growth and expanding port and interstate connectivity have supported sustained demand, while deep land availability and scalable labor pools have enabled the region to accommodate large-format requirements more consistently than other U.S. markets.

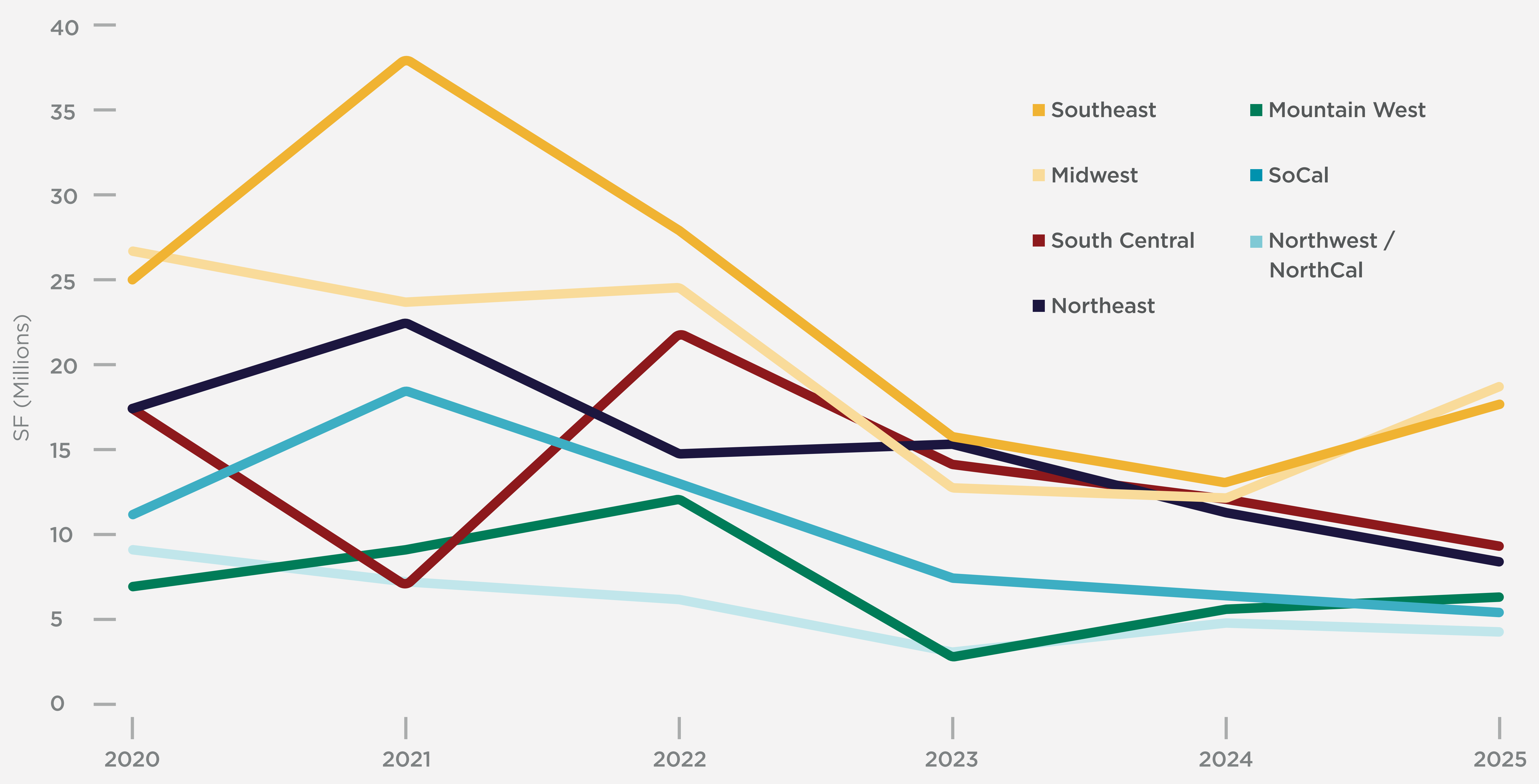
Following the post-pandemic peak, the Southeast consistently captured a disproportionate share of large-scale demand relative to other Americas regions. These structural advantages are increasingly shaping not just where large users locate, but how space is being delivered.

DEMAND BY REGION
LEASING 700,000 SF+

2020-2025

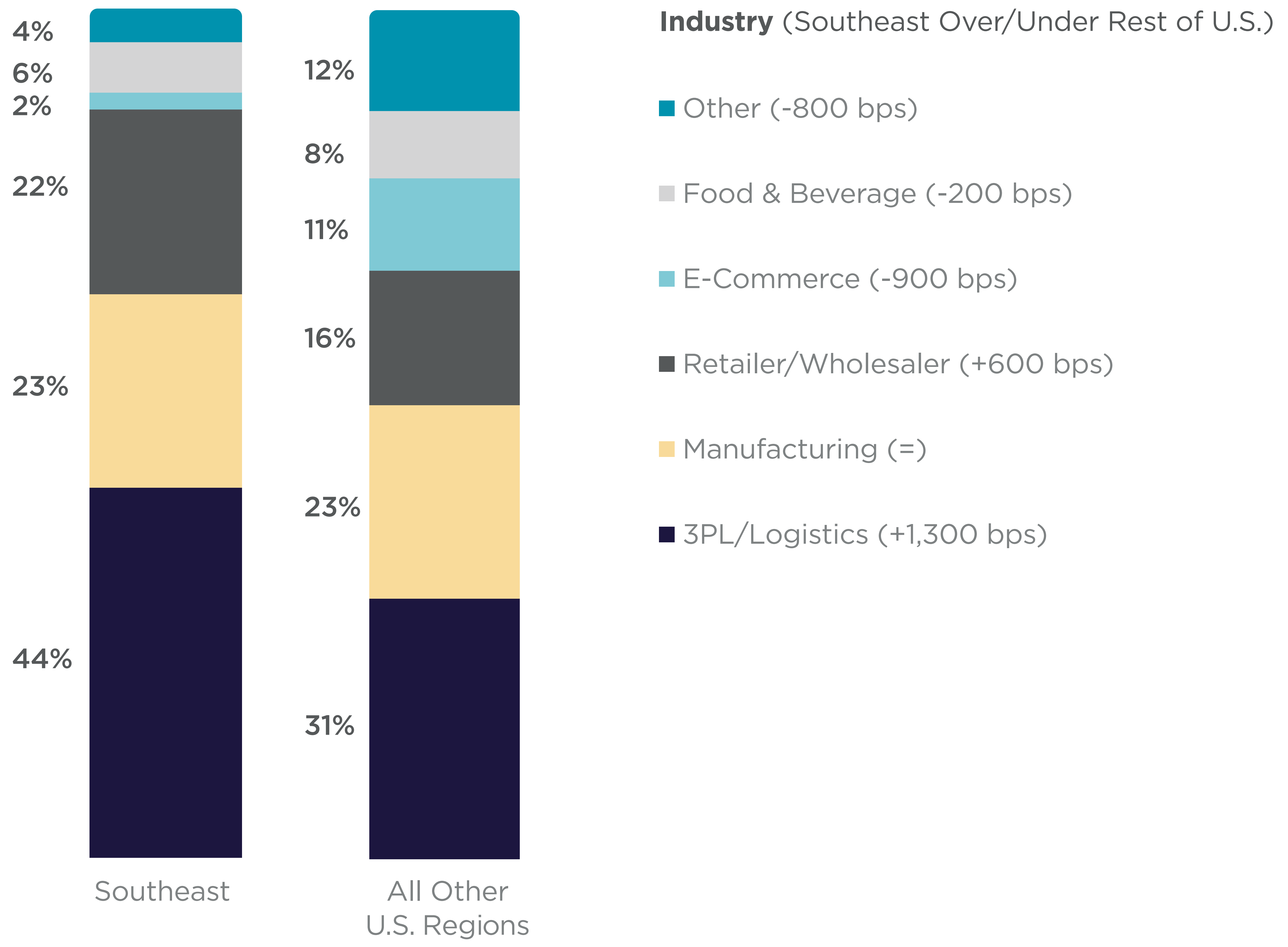
The Southeast led big-box leasing activity in four of the past five years, peaking in 2021. That year the robust activity in the region, fueled by 36 leases greater than 700,000 sf and a record 19 deals exceeding 1.0 msf, helped push the national total to a historic high.

In 2025, the Southeast and Midwest were the only regions to record meaningful annual increases in big-box leasing activity.



DEMAND BY INDUSTRY
LEASING 700,000 SF+

2023-2025



Since 2023, 3PL/logistics and retailer/wholesaler tenants have accounted for a **significantly larger share of large-format leasing** in the Southeast than in other U.S. regions. This concentration highlights the region's role as the primary gateway to key population growth markets.

SOUTHEAST DOMINATES BIG-BOX BUILD-TO-SUIT

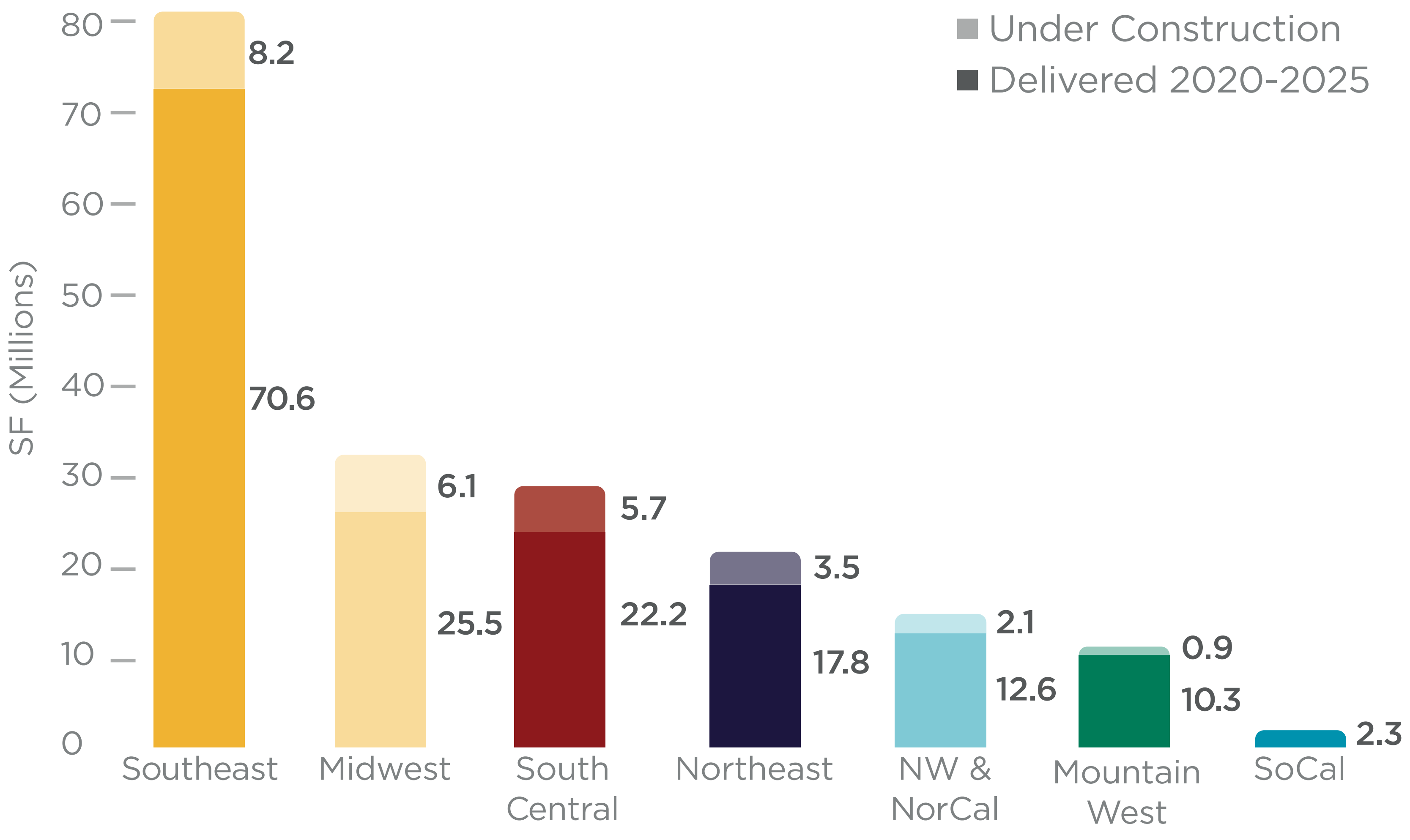
Leading Across Both Warehouse/Distribution and Manufacturing Supply

Big-box leasing has been overwhelmingly concentrated in new construction. Over the past three years, 85.4% of large-format leases nationally have been executed in buildings delivered since 2020, as occupiers initially moved quickly to secure newly-built speculative space following the 2020-2022 development surge.

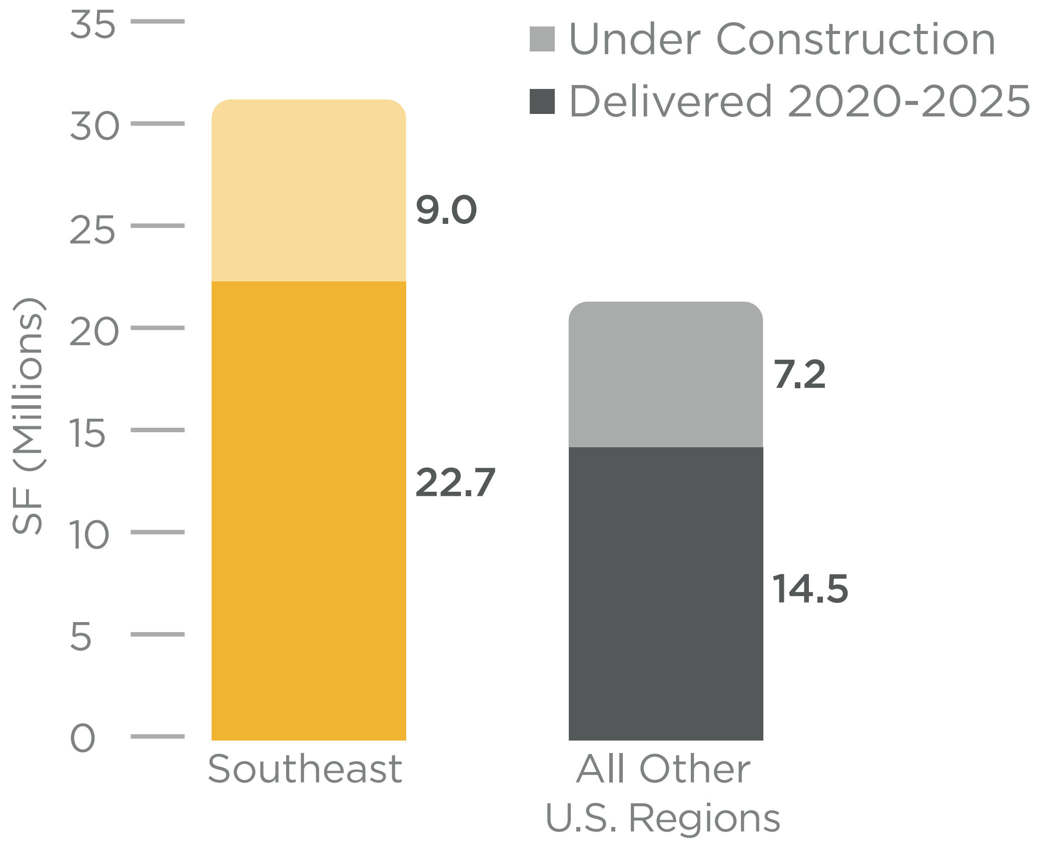
As growth moderated and space requirements became more defined, occupier strategies evolved from speed-driven leasing toward greater customization and control. Rather than competing for available speculative product, many large users increasingly pursued purpose-built solutions tailored to specific operational needs supporting automation, advanced fulfillment systems, and higher power demands. This shift has driven a growing reliance on BTS development, particularly among big-box occupiers.

45.8% of U.S. big-box build-to-suit projects delivered since 2020 or currently underway are located in the Southeast.

Warehouse/Distribution BTS Supply



Manufacturing BTS Supply



The Southeast has delivered 22.7 msf of large manufacturing BTS projects, driven largely by automotive and battery users including Hyundai (Savannah), General Motors (Nashville), and SK Innovation (Atlanta).

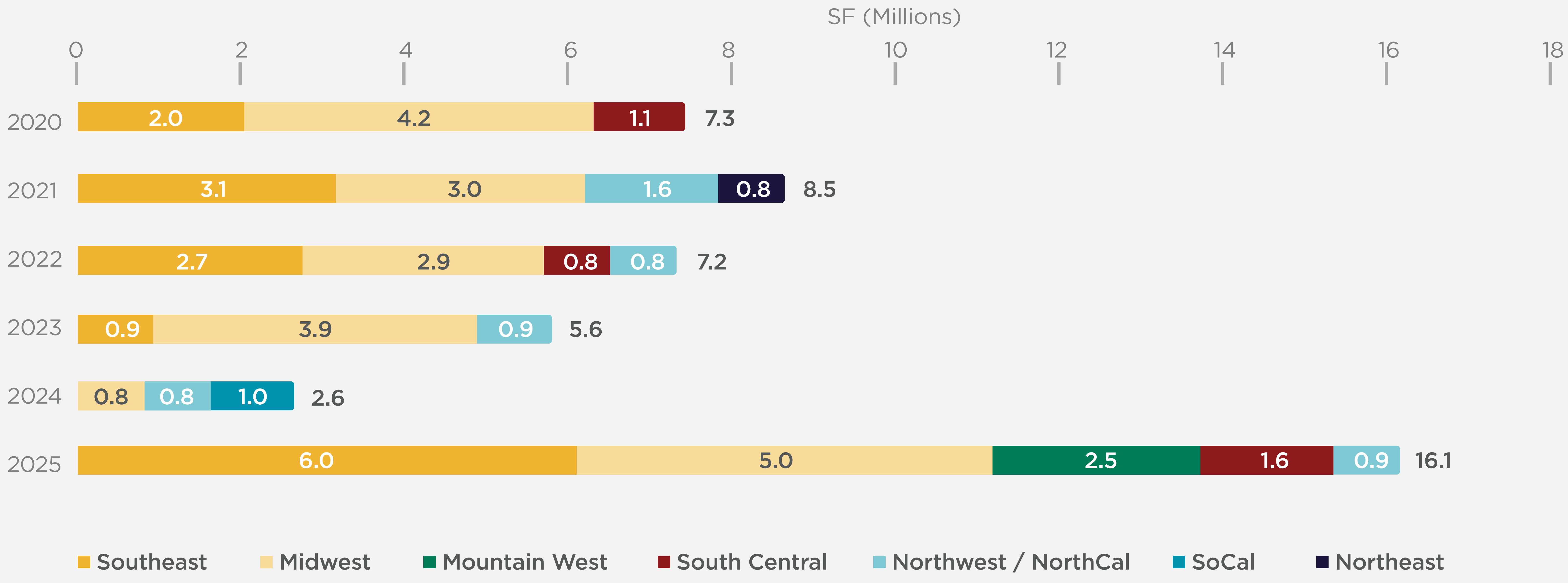
W/D remains the primary regional driver of BTS activity in the Southeast **(75.7% of deliveries),** though manufacturing operations represent a meaningful share of recent growth.

BTS development earlier in the cycle, rather than leasing, has been the primary channel for e-commerce demand in the Southeast, with **e-commerce users representing 32.2% of all large W/D BTS construction** in the region.

LARGE-SCALE USERS TURN TO OWNERSHIP IN 2025

Led by Acceleration in the Southeast and Midwest

Large-Format Occupier Acquisitions
Second-Generation Assets and Speculative Developments



While BTS development has become a preferred solution for highly customized facilities, ownership of existing product offers a parallel strategy for users with long-term space requirements.

Large-scale user purchases increased sharply in 2025, with the Southeast and Midwest emerging as the most active acquisition markets.

Elevated acquisition activity reflects occupier confidence in these regions' ability to support sustained, high-volume activity and a growing preference for **direct control over facility operations and long-term occupancy costs**.

IMPLICATIONS FOR BIG-BOX INDUSTRIAL STRATEGY

Big-Box Demand is More Concentrated in Select Markets

Big-box demand has moderated from pandemic-era highs but is increasingly concentrated in select markets as corporate occupiers reconfigure supply chains toward regional distribution hubs.

The Southeast Provides Advantages for Large-Format Industrial Development

The Southeast continues to differentiate itself through a rare combination of scalable site availability, logistics access, and cost efficiency—**advantages that are increasingly difficult to replicate.**

Big-Box Occupiers Prefer Customized Solutions

Delivery strategies have evolved beyond predominantly speculative development toward a broader mix of BTS and second-generation owner-occupied facilities, **reflecting more deliberate decision-making among large occupiers.**

As Site Availability Thins, Opportunities Narrow

For occupiers, the window to secure large-format space in preferred Southeast markets is narrowing as new groundbreakings remain limited and the supply pipeline of developable land thins.

2026 Looks Promising for Big-Box Transactions

Early 2026 is already showing signs of elevated activity, with several large-format transactions nearing execution in the Southeast. This momentum supports expectations for sustained engagement, even as occupiers remain disciplined.

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